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**Attorneys for Plaintiff
OVERTURE SERVICES, INC.**

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

OVERTURE SERVICES, INC., a
Delaware Corporation.

Plaintiff.

vs.

GOOGLE INC., a California Corporation,

Defendant.

No. C02-01991 CRB (EDL)

OVERTURE'S FURTHER OPPOSITION TO GOOGLE'S MOTION FOR AN ORDER EXTENDING GOOGLE'S TIME TO SERVE INITIAL INVALIDITY CONTENTIONS

1 **I. INTRODUCTION**

2 Pursuant to the Court's Order of December 2, 2002, Overture files this
 3 supplemental memorandum in opposition to Google's motion.¹

4 Google's motion offers only bald assertions that Overture's Preliminary
 5 Infringement Contentions are insufficient. Google does not dispute that Overture has
 6 identified both the claims that are infringed and the specific Google system that infringes
 7 those claims. Overture also has identified specific infringing features of Google's
 8 accused system, and has directed Google to pages from its own website that describe
 9 those features. Admittedly, Overture has not identified Google computer code
 10 evidencing its infringement, but that is because Google has not yet produced its
 11 computer code. Accordingly, Overture's Preliminary Infringement Contentions satisfy
 12 Patent L.R. 3-1.

13 **II. OVERTURE'S INFRINGEMENT CONTENTIONS**

14 The patent in this case, Overture's U.S. Patent No. 6,269,361 (the "361 patent"),
 15 relates to the account management of bidden pay-per-click search systems on networks
 16 such as the Internet. In a bidden pay-per-click search system, an information provider
 17 or advertiser places a bid for the opportunity of having its search listing included in a
 18 search result list for a particular search term. When a searcher enters a search for the
 19 search term, the system produces a search result list that includes search listings from
 20 advertisers that have bid on that search term. By varying its bid amount, the advertiser
 21 is able to influence the position of its search listing within the search result list. The
 22 advertiser then pays only for those instances when a searcher "clicks" through to the
 23 advertiser's website.

24

25

26 ¹ Google originally styled its motion as seeking only an extension of time under Local
 27 Rule (L.R.) 6-3. (See Overture Opp'n, Dkt. No. 28.) Recognizing that Google's motion
 28 actually sought a substantive discovery order, the Court referred the motion to
 Magistrate Judge LaPorte as a motion to compel. Judge LaPorte subsequently set the
 present briefing.

Overture introduced the first bidden pay-per-click search system on the Internet in 1998. Until earlier this year, Google did not operate a bidden pay-per-click search system. Instead, Google operated an algorithmic search engine that did not require information providers to pay for their search listings to be included in search results lists. In February 2002, however, Google introduced a bidden pay-per-click search system called AdWords Select. The AdWords Select system includes the account management features claimed in Overture's '361 patent.

All but one of the asserted claims are method claims. (See '361 patent claims, Exh. 1 to Kwun Decl., col. 22-30.) These method claims do not include mechanical structural limitations that can be applied simply to specific mechanical components in the accused system. Instead, in its Preliminary Infringement Contentions, Overture carefully identified those features of Google's AdWords Select system and the actions performed by that system that Overture believes correspond to the recited method claim limitations. (See Overture's Preliminary Infringement Contention claim chart, Exh. 4 to Kwun Decl.)

The only asserted non-method claim is claim 14. Most of the limitations recited in claim 14 relate to computer programming code. Overture explained its belief that the AdWords Select system includes programming code that meets the limitations of claim 14. Until Google produces that code, however, Overture cannot be more specific with respect to those limitations.²

Overture also identified numerous pages from Google's own website that explain the operation of Google's AdWords Select system.³ (See Overture's Preliminary Infringement Contentions, Exh. 3 to Kwun Decl., p. 2.) In its Preliminary Infringement Contentions, Overture directed Google to these website pages to support its assertion

² The parties are involved in ongoing negotiations regarding the terms of a protective order that would govern the production of computer source code.

³ Copies of these website pages are attached as Exhibit 1 to the Declaration of Charles M. McMahon (Dkt. No. 29).

1 that the AdWords Select system infringes the asserted claims. Read in context with the
 2 Google website pages that Overture identified, Overture's Preliminary Infringement
 3 Contentions satisfy both the letter and the spirit of Patent L.R. 3-1.

4

**III. OVERTURE'S PRELIMINARY INFRINGEMENT CONTENTIONS SATISFY
 5 PATENT L.R. 3-1**

6 Overture's Preliminary Infringement Contentions satisfy the requirements of
 7 Patent L.R. 3-1 for at least the following reasons:

8

9 1. As described above, the '361 patent is not directed to a simple mechanical
 10 system in which independent parts may easily be identified. Rather, most of the claims
 11 are method claims that read on particular actions performed by the infringing AdWords
 12 Select system. The only system claim is directed primarily to programming code, and
 13 Google has not yet produced its code. Accordingly, Overture's Preliminary Infringement
 14 Contentions adequately identify the asserted claims, the infringing system, and the
 15 features of that system that infringe the claims.

16

17 2. In many instances, Overture's Preliminary Infringement Contentions are
 18 more specific than Google implies. For instance, Overture identified at least the
 19 following specific infringing features of Google's AdWords Select system: (a) multiple
 20 search term matching options (*i.e.*, broad matches, negative matches, and exact
 21 matches) (claims 1, 11, and 16); (b) subaccounts in the form of ad groups (claim 5); (c)
 22 rank values, as shown in an advertiser's hyperlink (claim 8); (d) the Google
 23 TrafficEstimator tool, which estimates the cost of a search listing (claims 11, 12, 43, 44,
 24 59, and 60); (e) the ability to bill advertisers' credit cards in real time if they reach a set
 25 account limit (claims 14, 39, and 55); and (f) Google's assurance on its website that new
 26 ads go live "instantly once you create them" (claims 14 and 53). This list is not
 27 exhaustive, but merely illustrates the specificity of Overture's infringement contentions.
 28 In addition to the claim chart, Overture also directed Google to particular pages from

1 Google's own website that describe in detail the infringing features identified in the claim
 2 chart. In this way, Overture provided Google with more detail than Patent L.R. 3-1
 3 requires.

4

5 3. In some instances, Overture was not able to provide the same level of
 6 detail. This is because Overture's patent relates to the account management features
 7 of pay-per-click systems. Google acknowledges that AdWords Select is a pay-per-click
 8 system. However, many of the details ultimately necessary to establish additional
 9 elements of infringement, both of the method claims and the system claim, lie in the
 10 AdWords Select computer code, which Google has not yet produced.

11

12 4. Overture has made every effort to provide information to satisfy Google's
 13 concerns. (See McMahon Decl., ¶¶ 4, 7; Kwun Decl., Exh. 6.) In fact, Overture
 14 provided Google with additional information regarding the only two claim chart entries
 15 that Google has specifically identified as allegedly deficient. (See McMahon Decl., ¶¶ 5-
 16 6; Kwun Decl., Exh. 8.) Since then, Google has declined Overture's invitation to identify
 17 any other specific entries alleged to be deficient. (See McMahon Decl., ¶ 7.)

18

19 Where Patent L.R. 3-1 calls for infringement contentions that are "preliminary,"
 20 Google attempts to prematurely and improperly substitute the word "detailed." Google's
 21 motion appears to be an attempt to prematurely compel a claim interpretation from
 22 Overture, with specific reference to a particular embodiment of the accused AdWords
 23 Select system. This is contrary to the schedule set forth in the Patent Local Rules,
 24 which contemplates that "preliminary" infringement contentions are the beginning, and
 25 not the end, of plaintiff's infringement proofs. Overture satisfied its burden of providing
 26 preliminary infringement contentions. As a result, Google now knows (a) which
 27 Overture patent claims are allegedly infringed, (b) which Google product is alleged to
 28 infringe those claims, and (c) which specific features of the accused product correspond

1 to the limitations of each asserted claim. Google should now produce its source code
2 documentation and its Preliminary Invalidity Contentions so that discovery may proceed.

3 **IV. CONCLUSION**

4 For the foregoing reasons, Overture respectfully requests that the Court deny
5 Google's motion.

6
7 Dated: December 9, 2002

By: _____ /s/

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[PROPOSED] ORDER

Before the Court is defendant Google Inc.'s ("Google's") motion, pursuant to Civil

L.R. 6-1 and 6-3, and paragraph 4 of the Court's Standing Order, for an order extending its time to serve its Preliminary Invalidity Contentions and compelling Overture to serve revised Preliminary Infringement Contentions. Having considered all of the papers filed in support of and opposition to the motions, the Court DENIES Google's motion.

The parties are ORDERED to meet and confer about the case management schedule, and to file with the Court within ten court days of the date of this Order a joint case management statement addressing any scheduling modifications that may be necessary in light of this Order.

Dated:

HON. ELIZABETH D. LAPORTE
United States Magistrate Judge